setting expectations delivering results

ITD
Information Technology Department

Information Technology Department

2006-2007 annual report

setting expectationsdelivering results

ourmission

Provide leadership and knowledge to assist our customers in achieving their mission through the innovative use of information technology.

ourvision

We see ITD as the trusted business partner and preferred IT provider for strategic services within government and education.

"Quickly understood the problem, came up with a solution, and made sure I was satisfied with the answer."

Public Service Commission

JOHN **HOEVEN**
Governor, North Dakota

The 2006-2007 Annual Report
setting expectations delivering results
was produced by the North Dakota
Information Technology Department,
edited by Deborah Mosset.

It is a response to requirements outlined in Section
19 Chapter 54-59 of the North Dakota Century Code.
The report provides an update on the information
technology oversight process and major information
technology investments.

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executivesummary

Lisa Feldner

Lisa Feldner, PhD · CIO

In today's world, technology surrounds us everywhere we go. We have the internet, wireless connectivity, laptops, PCs, video and phone conferencing, PDAs, soft phones, cell phones, and telephones that allow us to connect to people, information, and services, anytime, anywhere. Distance and location are no longer communication barriers. We can move from office to office, meeting to meeting, travel on business, work from home, or conduct business, barely missing a beat. As business needs change, so must IT practices to accommodate today's expectations to be mobile or to conduct web services. We're listening to our customers and setting our expectations to deliver services to meet their IT needs.

The Information Technology Department (ITD) is charged with the task of helping our customers, state agencies, local and city government entities, K-12 schools, and the North Dakota University System, sort through technology options to find the most cost-effective and efficient IT solutions to meet business needs. ITD considers the enterprise as a whole to determine how and where technology aligns with business most effectively.

ITD consists of seven divisions working together to ensure quality, reliable, and cost-effective delivery of information technology services. Much time was spent last year setting stronger expectations to deliver greater results to customers. Communication about technology changes, processes, and activities plays a key role in maintaining ITD's ability to deliver quality service to customers to meet their expectations.

To guide ITD's strategic planning processes, ITD's Division Directors met twice monthly to discuss operational performance to ensure ITD is meeting its performance measures. ITD continued to hold quarterly IT Directional Meetings for state agency IT coordinators to inform them of changes in technology and projects planned by the department. ITD worked closely with the State Information Technology Advisory Committee (SITAC), a committee responsible for providing input to ITD on the deployment of new and existing products and services for statewide IT planning efforts, regarding IT ventures.

ITD's Customer Services Division worked with other divisions to build ITD as a stronger customer-centric organization. The division facilitated the first year of setting expectations through service level objectives to resolve 90% of incidents within the timeframe originally conveyed to customers. In January 2007, the division added a new online method for customers to report problems, ask questions, request information, and offer feedback. Plans were set in motion to move the Service Desk and the Network Operations Center into one location to serve customers better.

The Policy and Planning Division continued to grow and enhance project management practices. The growth and development of project managers continues to increase the number of projects completed on-budget and on-time each year. North Dakota's Project Management Mentor Program was selected as NASCIO's (National Association of State Chief Information Officers) winner in the project and portfolio management category for work accomplished last year.

In our Software Development Division, services continued to be high in demand by ITD's customers. The division worked on an additional 1,477 projects this past fiscal year. ITD's development staff pays a great deal of attention to meeting customer expectations with each application request that comes their way by thoroughly analyzing customer needs to determine the best development and operating environments for applications.

ITD's Computer Systems Division implemented Compuware's Vantage Suite to assist the division in monitoring IT service performance. To further assist secure and uninterrupted service delivery, the division utilizes tiered storage systems and clustered server environments. Redundancy is architected into the solutions based upon the needs of the customer.
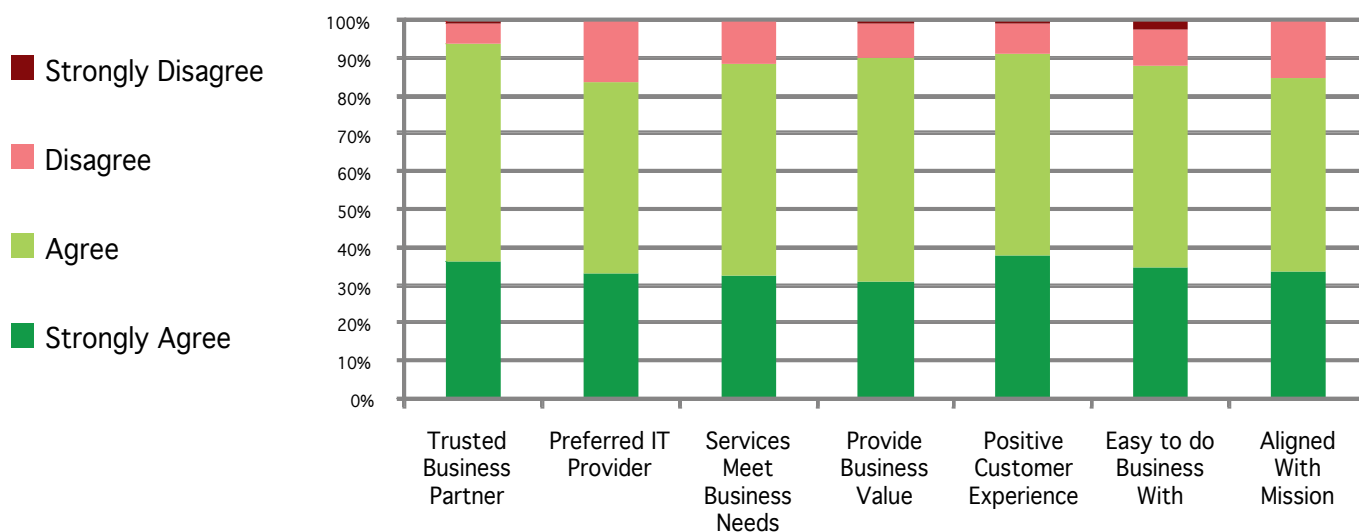
The Telecommunications Division completed a successful upgrade to the Statewide Government and Education Network to meet the demands of users and to extend the network's life. This network keeps information flowing to more than 80,000 computers and 10,000 telephones.

Administrative Services kept a pulse on financials, records management, security, and support to keep business flowing effectively, efficiently, and securely throughout the year.

The Human Resources Division takes pride in hiring well-rounded individuals who possess excellent technical, business, service, and communication skills. We're proud to report turnover remains low at ITD. Our employees provide the heart and soul of ITD. They're the glue that holds the organization together, bringing technology to life and guiding customers through technology options and solutions.

As you read on, you'll discover how each division contributes to the overall success of ITD. We're working toward setting expectations and delivering results to meet the IT needs of our customers today and into the future.

Key Performance Indicators 2007 Customer Survey

Legend:
- Strongly Disagree (dark red)
- Disagree (pink)
- Agree (light green)
- Strongly Agree (dark green)

Categories:
- Trusted Business Partner
- Preferred IT Provider
- Services Meet Business Needs
- Provide Business Value
- Positive Customer Experience
- Easy to do Business With
- Aligned With Mission

customerservices

As ITD's Single Point of Contact, the Customer Services Division assists customers in resolving issues, connects customers with subject matter experts, and develops ways to make doing business with ITD easy.

Continually looking for ways to improve service support and delivery, ITD wants to make sure we're managing customer expectations to provide a positive customer experience. ITD spent considerable time last year to improve service delivery to customers. Following is a list of those initiatives:

• ITD purchased a new toolset from FrontRange called ITSM (IT Service Management). Its incident and problem management modules are being implemented to replace ITD's HEAT system. ITD's goal is to create an enterprise solution that allows state government to manage incidents and problems holistically across agencies.

• ITD continues to incorporate industry best practices as defined by the IT Infrastructure Library (ITIL). A formal, agency-wide change management process will be piloted following the ITSM toolset implementation.

• ITD is in the process of moving the Service Desk and the Network Operations Center into the same physical location. The convergence of these two groups will lead to more efficient and effective service and support.

Overall Customer Experience
For Incident Resolution
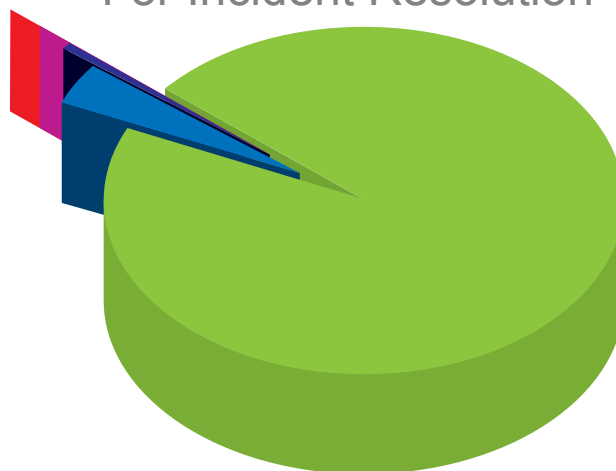
🟩	Assumed Very Satisfied	27775	95.6%
🟦	Very Satisfied	1126	3.9%
🟪	Satisfied	118	0.4%
🟫	Dissatisfied	28	0.1%
🟥	Very Dissatisfied	6	0.0%
	Total	29053	100.0%

Accomplishments

- A simple, online method for submitting incidents was added to ITD's homepage. From January-June 2007, nearly 10% of all customer-initiated incidents were reported through this interface.

- ITD completed its first full year of using "Service Level Objectives" to help manage customer expectations. From July 2006-June 2007, ITD met its goal by resolving 90% of incidents within the timeframe originally conveyed to its customers.

- A new customer-focused "Product Manager" role was defined to launch, maintain, and improve a service offering. Today, the concept is being piloted on ITD's new Microsoft SharePoint Service.

- Although traditionally perceived as an ITD function, today's enterprise Service Desk offers "Tier 1" support as a service to a variety of business units, including Department of Human Services, ConnectND (Office of Management and Budget/Public Employees Retirement System), Criminal Justice Information System, Capitol Information, and e-government.

- This year, executives and business professionals were asked to join IT coordinators in completing the ITD Annual Customer Survey. That, along with a slick new online interface, caused participation rates to triple. The feedback received will help align ITD's services with customer expectations.

- North Dakota Century Code requires ITD to document information related to service support and delivery including formal complaints regarding dependability, responsiveness, and cost by emailing "itdcomplaints@nd.gov". From July 2006-June 2007, no formal complaints were filed through this complaint process; however, we're monitoring, listening, and acting upon your feedback each and every day.

"I like the fact that when we call, we get a person right away!"
Logan County Social Services, Napoleon

Nancy Walz, Director

policy&planning

ITD's Policy and Planning Division coordinates, facilitates, and improves information technology activities across the enterprise, while building a collaborative environment with state agencies. Results achieved are truly a credit to the agencies involved in this process.

ACCOMPLISHMENTS

Project Management
Increasing the knowledge and skills of project managers increases the success of IT projects. Last year, the Enterprise Project Management Office facilitated training and mentoring programs. Twenty-nine project managers, team members, and executives attended a three-day project management class. Project management certifications include: one Project Management Institute Project Management Professional (PMP) certification; 14 CompTIA Project+ certifications; and four Level 1 National Information Technology Apprenticeship System (NITAS) certifications. Sixteen active NITAS apprentices are working through the program today. North Dakota's Project Management Mentor Program was honored as NASCIO's 2007 winner in the project and portfolio management category.

During the past fiscal year, state agencies completed eight large IT projects under the division's oversight. Seven of eight projects were completed under budget, resulting in a savings of $2,787,401. Six of eight projects completed within the acceptable 20% schedule variance.

"The work being done on project management has been phenomenal." Secretary of State's Office

Enterprise Architecture
Through the Enterprise Architecture (EA) process, state agencies collaborate to set the State's future IT direction. Last year, this process involved 119 people from 32 agencies. One new standard was created and four were updated. Study teams completed work for desktop search tools, Microsoft SharePoint, mobile computing, a time and labor application, business intelligence, and made recommendations for web content management tools.

IT Planning
Prior to the 2007 Legislative Session, the Policy and Planning Division developed the Statewide IT Plan, which included state government, K-12 schools, and higher education plans. Sixty-one agency technology plans were reviewed and accepted. The executive recommendation included $215,113,401 in technology spending (3.8% of the total budget). Detailed reports on IT spending requests were published to ITD's website at http://www.nd.gov/itd/planning/legislation/2007-technology.html.

Procurement
ITD administers seven State contracts – PCs, Altiris, IT Vendor Pool, GIS Vendor Pool, Master Client Index (Initiate), Project Management Information System (PMIS) (Primavera), and Time and Labor (Workforce Software). As part of the division's responsibilities to ensure the State receives the best value for its technology dollars, we review and approve technology acquisitions by state agencies. Last year, 55 contracts and requests for proposals were submitted and reviewed within the five-day response time.

enterprise initiatives

The Policy and Planning Division provides leadership and coordination for three enterprise initiatives, the Criminal Justice Information System (CJIS), Geographic Information Systems Hub (GIS), and ConnectND, by facilitating the governance, developing the strategic plan, and reporting on performance.
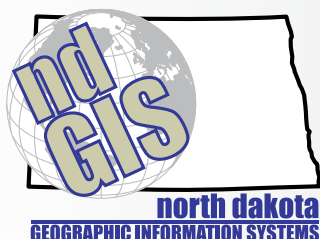
Developed to improve public safety, the CJIS Hub includes information systems to capture and share complete, accurate, and timely information to aid informed decision-making across jurisdictional and organizational boundaries statewide. The hub has grown to more than 1,000 authorized users processing more than a million transactions. Thirty-two agencies use the Law Enforcement Records Management System (LERMS), totaling 213 users with 147 full-time officers. Six counties use State's Attorney Reporting System (STARS). Its JusticeWebView reports became available to allow law enforcement agencies to view case management information.

"We're amazed how quickly the documents were generated and how much information was carried over, making for much less duplicate entry. We're also very pleased with the help we've received from the CJIS staff, as well as the New Dawn staff."

STARS user

concurrent connections to the databases by state agency users. Last year, more than one million hits accessed web services with nearly 32,000 data downloads. Data layers increased to more than 185 layers (3,000 gigabytes or the equivalent of 638 DVDs). New applications were added for the Department of Health's Facility Monitoring and the Department of Transportation's Right-of-Way programs.

"I'm currently working on a geospatial project on the Missouri River and was made aware of the web services you're exposing through the ND GIS website. I've been able to access your web services through ArcGIS as described on your website. The cartography is excellent and the services contain some good information that we'd like to reference in our application."

M.B., US Army Corps of Engineers, Remote Sensing/GIS Center of Expertise, Hanover, New Hampshire

ConnectND is the State's PeopleSoft implementation of Financial, Human Capital Management, Portal, and Student Information System modules. Last year, the Human Capital Management application was upgraded to version 8.9. *The upgrade improved processing times and, as a result, the State's payroll which previously ran for two hours, now takes one hour.* Additional improvements included automating the State's Savings Management 457 Plan along with completing an average of 68 development requests each month.

The GIS Technical Committee (GISTC), comprised of 11 state agencies, enhanced the GIS Hub by adding more data and applications. They continued to increase the Hub's awareness by promoting its use, value, and functionality. On average, there are 35+ daily

Dan Sipes, Director

administration

ITD's Administrative Services Division consists of fiscal administration, contingency planning, security administration, and records management.

Information technology security and related privacy issues are a strong focus for ITD in the operation of the Statewide Government and Technology Network and the state's computing infrastructure. This continues to be a focal point for ITD with the expansion of e-government services and the Criminal Justice Information Sharing System. All divisions within ITD work to provide expertise and leadership in coordinating with state agencies to help the State of North Dakota secure its information technology resources.

ITD undergoes a regular SAS70 audit conducted by the Office of the State Auditor with specialized security testing conducted by an external security consultant. This audit provides assurance to our customers and their auditors that ITD has appropriate controls in place. The latest copy of the SAS70 report can be found at http://www.nd.gov/auditor/reports/1200_05.pdf.

Last year, ITD changed the way it provides microfiche services to state agencies. This service was traditionally provided using in-house microfiche equipment. Since demand for this service has decreased and ITD's equipment reached the end of its useful life, ITD contracted with a vendor to produce the microfiche.

North Dakota Century Code 54-46-11 requires ITD to report on Records Management practices and programs in state government. Records management programs include records

retention schedules, annual disposal of reports, forms inventories, and consulting. ITD has implemented records management programs in 60 state agencies. Records management programs are established in 22 boards, commissions, and councils. Last year, state agencies and local government offices disposed of 5,564 cubic feet of records to meet retention requirements. This savings in storage space, equipment, and related salaries resulted in a cost avoidance of $980,951.
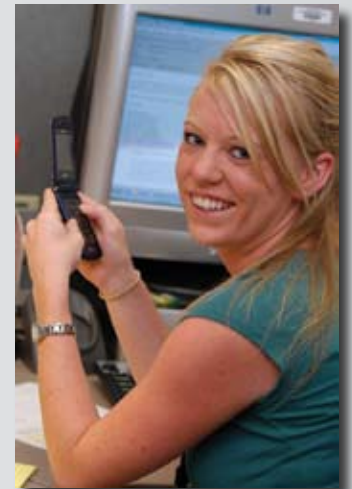
Accomplishments

- ITD implemented stronger physical security controls surrounding access to ITD facilities requiring all employees and visitors to wear visible identification badges while in ITD facilities.

- ITD formed an Electronic Document Management System (EDMS) cross-functional team to provide a central point of contact to customers. Since many EDMS projects have a strong development focus, this team is now coordinated from the Software Development Division. In addition to ongoing EDMS implementations, the EDMS team completed the conversion to FileNet P8 and upgraded Teleform to version 9.1.

I primarily work with ITD regarding records management and forms. Whenever I've called for assistance or with questions, I've always received prompt and thorough answers. The staff is very friendly and nice to work with."

Department of Public Instruction

ITD Revenue By Service
Fiscal Year 2007
Total Billing: $39,181,390

- Other 1%
- Direct Bill Back 19%
- Software Development 23%
- Telephone 11%
- Network 15%
- Computer Hosting 31%
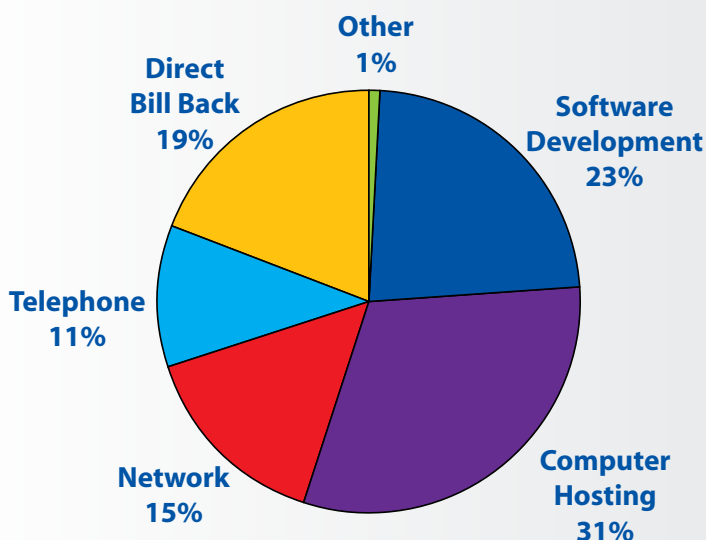
ITD Revenue By Department
Fiscal Year 2007
Total Billing: $39,181,390

- Bank of ND 5%
- All Others 23%
- Education 12%
- OMB 2%
- DOT 9%
- Job Service 4%
- Sec of State 3%
- Tax Dept. 3%
- Human Services 39%
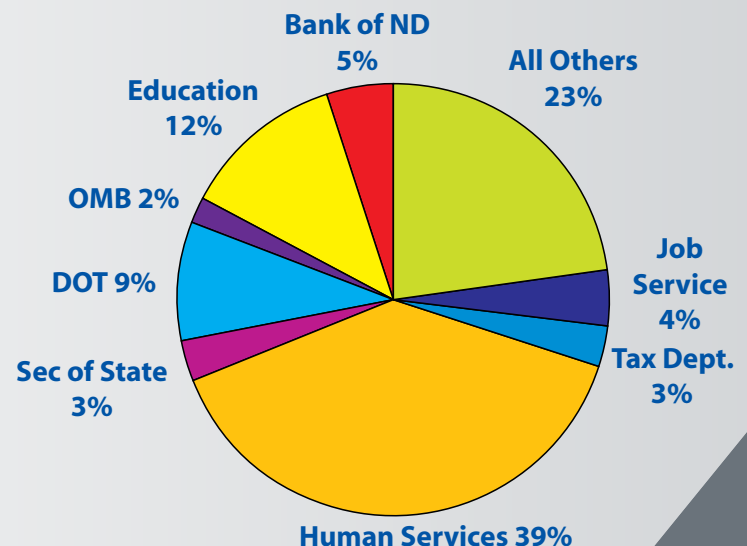
Vern Welder, Director

softwaredevelopment

ITD's Software Development Division takes pride in its ability to design and build custom applications. Great attention to detail and quality is applied throughout our software development process.

Before design work starts, we analyze the customer's needs and perform an architectural review to determine the best development and operating environments for the application. During design and construction, project quality reviews are conducted to assure that customer requirements are being met and that development standards are followed. All applications are regression tested and load tested to guarantee accurate results with adequate performance. We provide application enhancement and maintenance services to assure that custom applications will meet customers' changing needs for years to come. All ITD software development projects are managed using a standard project management methodology so that time and money resources are managed toward project success.

The Software Development Division is home base for ITD's project managers. Project management has improved state agencies' record for on-time and on-budget delivery of successful projects. The demand for project management services is steadily increasing. For instance, in 2005-2006, we managed 105 projects, and in 2006-2007, we managed 173 projects. In each of the past two years, we've added three project managers to our staff in order to keep up with demand. We expect the project management growth trend to continue. There's high probability that demand will accelerate even more in the 2007-2009 biennium due to a higher number of large information technology projects than in 2005-2007.

"I like being able to renew online. I live in rural North Dakota and often run out of stamps, so by using your online services, I get the results I want in record time."

A North Dakota Citizen

Agency Success Stories

This year, the Software Development Division processed service requests for 53 state agencies. About 172,000 hours of development time were spent processing 4,896 service requests. A small representation of Agency Success Stories follows:

• Software Development completed several projects for the Tax Department. Most notable was participation in a project that replaced the Tax Department's mainframe applications. ITD wrote file conversions and created new reports for the new systems. Our division also wrote a Tax Department application that allows employers to submit Income Tax Withholding Returns online via the web and an application that gives Income Tax filers the ability to check the status of their tax return.

• The largest IT project currently in progress in state government is the Department of Human Services' Medicaid System Replacement. Our role in this project is to represent the current system's functionality as we participate in development and implementation of the new system. Other Human Services' projects completed by the division included one that allows county eligibility workers the ability to provide clients temporary assistance without enrolling them in the TANF program and another to allow recipients of child support payments to apply for direct deposit via the Child Support Division's website.

• For Job Service North Dakota, the division completed system enhancements that allow claimants to complete re-employment services and eligibility reviews online via the web.

• The division completed a complex, web-based Department of Transportation Priority system that determines the priority of roadway projects based on future project needs combined with current roadway condition information.

Accomplishments

• During 34 years of the IBM Mainframe's existence at ITD, the Software Development Division developed a robust software development environment on that platform. The Mainframe Migration Project created the need for a like environment within the new LINUX environment. A dedicated software development team has learned the nuances of the new environment and applied the mainframe development principles toward creating a new software development environment for Linux.

• Software Development accepted the role to provide a central point of contact for Electronic Document Management System (EDMS) Applications. ITD created a cross-functional team of Systems Administrators, Records Managers, Software Developers, and Architects. The EDMS activities of the cross-functional team are coordinated by one individual in this division. This has proven to be very popular for customers who previously had to decide whom at ITD to contact in regard to EDMS.

L. Dean Glatt, Director

computersystems

The Computer Systems Division provides computing infrastructure to state government agencies, political subdivisions, state boards and commissions, and many educational and local government entities.

The staffs within the division are trained and skilled in many technologies, including operating systems, enterprise databases, hardware, systems automation, and many commercial software applications. Formal career path plans were mapped out and implemented in our Computer Systems area in response to the labor-market shortage for systems administrators and to provide promotional and growth opportunities for employees internal to ITD.

Developing highly available systems is the key to supporting the missions of state agencies, which serves as our primary function within ITD. A key objective for the division is to employ staff with special skills that support a specific product. This in turn allows all agencies to benefit from that specialized skill for all of state government.

In government, every agency's mission is critical. Developing service level performance reporting continues to be a goal for us to allow agencies to assess our performance and gauge how well it delivers to support their mission. Various levels of systems design include tiered storage systems and clustered server systems which are designed to continue operating despite hardware failures.

ITD's email systems process more than six million email messages per week and removes 90% of those through "spam" filtering systems. ITD maintains more than 12,000 email accounts for state, local, county, and political subdivisions.

Accomplishments

- Disaster recovery/business continuity planning is a top priority for the division. Storage systems were modified to eliminate known single points of failure and improve recovery time objectives. Returning state systems online due to a disaster or other major systems outage is important to the division.

- The Storage Area Network (SAN) infrastructure was upgraded with new "directors," which are business-class switches designed for high input/output activity. These systems allow ITD to handle the vast increase in storage activity that agency systems are demanding. Data access has increased significantly for ConnectND, email, enterprise databases, and web-based applications. SAN technology has allowed state government to incur 98 hardware failures over the last few years that resulted in no disruption in service, no data loss, and no application outage. With the technology of yesteryear, these same hardware outages would have caused significant outages across several applications.

- The division deployed the Compuware Vantage suite of tools for IT service management. This tool allows the division's management and administrative teams to align its services around business-critical objectives with a real-time, comprehensive picture of service delivery. Vantage helps these teams assess the scope of a performance problem and isolate it to the client, network, server, or application tier so the right technician can be assigned to the job. Ultimately, these tools will allow the creation of service/performance level measures of system transactions which will meet the demands and expectations of agency end-users.

"Because you had an on-call operator, we were able to install a new upgrade for CORE...Thanks a million."

Bank of North Dakota, Bismarck

Jerry Fossum, Director

telecommunications

The Telecommunications Division provides a variety of services to government and education, primarily in the areas of support and communication.

With more than 80,000 computers and 10,000 telephones connected, the network truly is the circulatory system for government and education in North Dakota. The Telecommunications Division staff makes sure it's reliable and secure from the threats of viruses, worms, and hackers. The division is on-guard 24/7 to insure information flows freely to the right people, at the right place, at the right time.

In the past school year, more than 24,000 academic classes and meetings were supported on the Statewide Government and Education Network (STAGEnet). STAGEnet also provides internet access for all of K-20 education and for North Dakota citizens to access government services. The division also provided more than one million minutes/month in long distance access for state agencies.

Network Availability 2006/2007

Monthly Availability
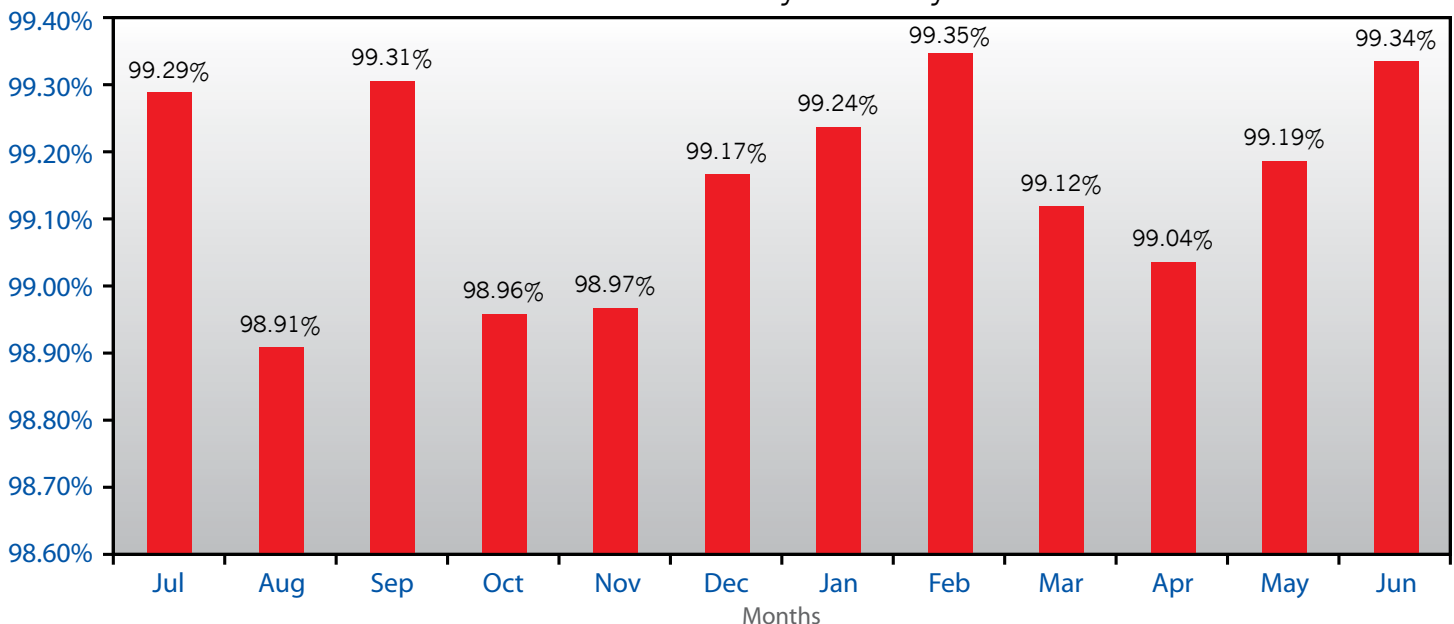
Accomplishments

- The Telecommunications Division completed a successful major upgrade to STAGEnet that significantly increased the capacity, security, and survivability of the network last year.

- The division deployed a new system to support the scheduling of video conferences and distance learning classes in June 2007.

- The Telecommunications Division began deployment of a new secure wireless access system in the Capitol which started in January 2007.

- Long distance calls between most government offices in the major cities are now carried on STAGEnet with no cost to the agencies. The current long distance contract expires at the end of 2007, so it's our goal to carry as much of our own long distance as possible before that time. The division completed the first phase of this project which includes most state agency-to-state agency calling in the major cities, and we'll be building on this to include calls to non-state agencies.

- The division began migrating telephone systems to Voice Over IP (VoIP) in one of its largest projects started last year. The Telecommunications Division took the opportunity to replace existing services with VoIP when agencies relocated or required upgraded or updated systems. Conversion of Centrex locations to VoIP also started, which affects state agencies in major North Dakota cities. The first all-IP system will be installed in fourth quarter 2007, with the Bank of North Dakota being the first agency on this new system.

"I couldn't do my job without ITD. I appreciate them being there when I need help."

James River Correctional Center

Ardy Pfaff, Director

humanresources

As ITD's technology and customer expectations change, so must ITD's workforce. The Human Resources (HR) Division's goal is to provide the right talent, for the right job, at the right time. It takes strong partnerships with ITD's management team and a strategic connection to the business to make this happen.

ITD finished the 2006-2007 fiscal year with a controllable turnover rate of 4.6% as compared to 7.0% the previous year. This is something to be proud of as the skilled IT worker is in high demand and in short supply. The labor-market is volatile, difficult to predict, and changes rapidly. Knowing what IT workers want in a job and designing it has been the key to ITD's success.

Another key to ITD's success is its culture of continuous learning. Most of ITD's information technology jobs require a degree from a higher education institution, and many members of ITD's work force are certified in their profession. ITD supports continual learning of its employees through on the job mentoring, technical training, a college tuition reimbursement program, and professional certification programs.

ITD employs approximately 300 individuals specializing in every aspect of information technology. Careers relate to the design, support, and service of software applications and data, voice and video networks; computer systems; and IT security, planning, project management, and business consulting.

"Anytime I've had to call for help, everyone I've spoken to or emailed has been very helpful. Service with a smile comes through even on the phone. Thanks so much for having a friendly staff!"

Grand Forks County Sheriff's Office

Accomplishments

- ITD assessed worker satisfaction and conducted employee focus group meetings in an effort to manage employee turnover. Employees shared many positive ways ITD can become an even better place to work. Their ideas included ways to improve divisional business processes, compensation, consistency and fairness of hiring practices, job design and responsibilities, career paths, internal communications, mentoring/cross-training, and technical documentation.

- The division worked with Human Resource Management Services (HRMS) and legislative groups to discuss issues and identify solutions to ITD's workforce recruitment and retention issues. Work included the analysis of public and private sector compensation data and organizational improvements.

- HR rewrote approximately 70 position descriptions, in response to ITD's changing business needs, new technology, and customer expectations, to grow IT capacity in hard to recruit positions, outline formal career paths, and enhance internal promotional opportunities.

- HR implemented alternative recruiting techniques, such as Monster.com, Dice.com, and ComputerWorks.com.

- ITD updated its New Employee Orientation Program in an effort to improve employee retention.

- ITD implemented an employee health and wellness program to help control healthcare costs and employee absenteeism.

- ITD implemented changes to its Employee Recognition Program to incorporate ways to recognize team accomplishments.

- The division implemented new technology, such as PeopleSoft modules (benefits, recruitment, and training) and EDMS imaging and online forms processing to reduce costs and increase business efficiencies.

ITD Employee's Level of Education 2007

8%   4%   9%

50%   29%

■ Other   ■ Some   ■ Associate   ■ Bachelor   ■ Masters
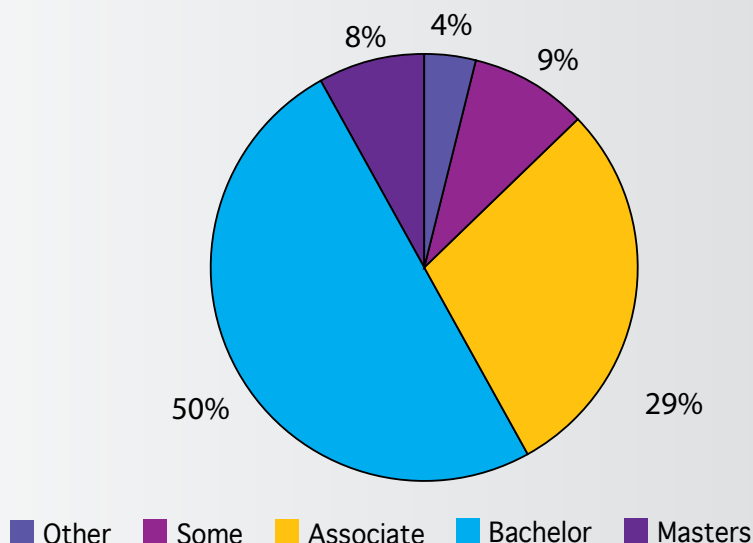
ITDperformance measures 2007

MEASUREMENT	BASELINE (PREVIOUS YEARS)	CURRENT (JUNE 2007)	TARGET

1.   ACCEPTABLE LEVEL OF TOTAL NET ASSETS

	BASELINE	CURRENT	TARGET
	2004 – 1.4	2007 – 1.7	< OR = 2.0
	2005 – 2.0		
	2006 – 1.4		

SCORE CARD PERSPECTIVE: FINANCIAL. Based on end of year financial statement, Total Net Assets does not exceed two (2) times the average monthly expenditures.

2.   PERCENTAGE OF ITD RATES REPORTED IN ANNUAL REPORT THAT ARE COMPETITIVE

	BASELINE	CURRENT	TARGET
	2005 – 100%	2007 – 100%	100%
	2006 – 100%		

SCORE CARD PERSPECTIVE: FINANCIAL. Based on 17 service rates representing 85% of ITD's revenue as reported in the Annual Report. "Competitive" is defined as a rate not exceeding 10% higher than the average comparable service rates provided by other government and private entities. To best enable "apples to apples" comparisons, each service metric will identify its comparison entities.

3.   TOTAL NUMBER OF SERVICE REQUESTS AND INCIDENTS COMPLETED

	2006	2007	MONITOR
SERVICE REQUESTS	29,456	28,564	
INCIDENTS	41,423	48,792	

SCORE CARD PERSPECTIVE: FINANCIAL. Although this measure is largely dependent on client budget appropriations and spending, it provides an indicator reflecting the amount of work volume or output produced by ITD. This measure reflects a 12-month timeframe and does not include ITD strategic projects.

4.   CUSTOMER SATISFACTION INDEXES

	% SATISFIED/ VERY SATISFIED 2005	% SATISFIED/ VERY SATISFIED 2006	% STATISFIED/ VERY SATISFIED 2007	% STATISFIED/ VERY SATISFIED
VALUE	91.4%	91.7%	87.3%	92%
TIMELINESS	90.9%	92.5%	87.4%	97%
QUALITY	95.3%	93.7%	95.5%	97%
KNOWLEDGE	93.7%	93.1%	94.8%	98%
PROFESSIONALISM & COURTESY	96.4%	96.5%	97.1%	100%

SCORE CARD PERSPECTIVE: CUSTOMER. Customer Surveys are collected annually. This year, executives and business professionals were invited to join IT coordinators in completing ITD's Annual Customer Survey. As a result, 136 people provided feedback on these attributes; tripling participation from previous years. Customers are encouraged to offer candid feedback regarding ITD's ability to meet their business needs.

MEASUREMENT	BASELINE (PREVIOUS YEARS)	CURRENT (JUNE 2007)	TARGET

5. EMPLOYEE SATISFACTION INDEX

	2005 – 1.96	2007 – 2.13	2.0
	2006 – 2.13		

SCORECARD PERSPECITIVE: LEARNING & GROWTH. Every other year, ITD assesses its employee satisfaction. Employees are asked to grade ITD as a place to work. The above survey indexes reflect the overall average score of all employee survey rankings. The grading range is from 0-3 (dissatisfied to very satisfied). Ninety-eight percent of employees participated in the survey process.

6. CONTROLLABLE EMPLOYEE TURNOVER

	2005 – 4.5%	2007 – 4.6%	BELOW 6%
	2006 – 7.0%		

SCORECARD PERSPECITIVE: LEARNING & GROWTH. ITD tracks employee turnover on an annual basis. Technology skills will remain in high demand and in short supply through 2012. Turnover nearly doubled in 2006 because of increased competition for the IT workforce. Employee turnover is a valuable indicator of employee morale and satisfaction. This is a critical measurement for ITD because of the large investment in the technology staff so they can stay current in their skills.

7. PERCENTAGE OF SERVICE LEVELS MET

	2006 – 100%	2007 – 100%	100%

SCORECARD PERSPECITIVE: INTERNAL PROCESS. ITD is developing service level objectives (SLO) for its primary services. Once the SLOs are established, this measure will indicate ITD's ability to meet its service objectives.

8. PERCENT OF STRATEGIC BUSINESS PLAN OBJECTIVES COMPLETED OR ON SCHEDULE

	2005 – 73%	2007 – 46%	75%
	2006 – 85%		

SCORECARD PERSPECITIVE: INTERNAL PROCESS. ITD creates a strategic business plan that defines business improvement goals and objectives which are achieved through initiatives created at the department and division levels. All initiatives are prioritized and defined as projects through an internal project definition process that describes the scope, cost, timeframe, and expected outcomes. This measure assesses management's ability to plan effectively and put business strategy into action.

ITD generates revenues by providing 93 services, each with its own rate. Customers are billed monthly for services provided the previous month. Federal regulations do not allow state central service agencies to accumulate an excess of cash. Therefore, ITD closely monitors the cost and revenue for each service and adjusts its rates accordingly.

In April of every even numbered year, ITD establishes budget rates for the upcoming biennium. These rates generally do not increase during the two-year period because agencies do not have the ability to request additional funds. However, if the cost for providing a service decreases, ITD will reduce the rate. ITD also monitors what other entities are charging for similar services in an effort to maintain quality services at a fair price. The following tables reflect ITD's comparisons and history. In summary, service rate increases are the result of higher labor rates along with the need to upgrade old equipment to deploy new technologies.

ITD RATE COMPARISON

CENTRAL COMPUTER CPU – RATE IS BASED PER SECOND

	North Dakota ITD	South Dakota BIT	Montana ITSD	Wisconsin DET
Batch CPU	$ .93	$ 1.18	$ 1.90	$ .73
CICS CPU	$ .93	$ 1.18	$ .55	$ .96
ADABAS CPU	$ .98	$ 1.18	$ 1.08	$ .96
TSO CPU	$ .93	$ 1.18	$ 2.32	$ .96

SD operates an IBM zSeries 800 2066-OC1 mainframe – 39% more speed so their published rate is .50 cents per CPU second. MT operates an IBM zSeries 800 2066-002 mainframe – same as North Dakota. WI operates an IBM 2064-IC9 mainframe – 5 times more speed so their published rate is a fifth of what is shown here.

NETWORK FEES

	North Dakota ITD	South Dakota BIT	Montana ITSD	Wisconsin DET
Device Fee	$30.75	$39.00	$ 72.60	$ 55.00
DSL Service	Actual ($40-$120)	n/a	$250.00	$ 665.00
ATM T-1	$890.00	n/a	$650.00	$1,067.00
Access/Information Fee		$62.00		

TELEPHONE FEES

	North Dakota ITD	South Dakota BIT	Montana ITSD	Wisconsin DET
Telephone Line	$24.00	$13.00	$20.00	Per Mile/Drop
Speaker	$ 3.00	Actual Cost	$7.00 – $11.00	Actual Cost
Display	$ 2.00	Actual Cost	$10.00 – $18.00	Actual Cost
Voice Mail (unlimited)	$ 5.00	$ 6.00		$ 6.00
• 3-minute limit			$ 5.00	
• 6-minute limit			$ 8.00	
• 8-minute limit			$ 10.00	

LONG DISTANCE

	ND	SD	MT	WI	MN	NE	OK
In-State	$ .09	$ .09	$ .105	$ .03	$ .059	$ .07	$ .09
Out-of-State	$ .09	$ .10	$ .105	$ .03	$ .047	$ .07	$ .09
800 Service	$ .07	$ .10	$ .10	$ .047	$ .047	$ .07	$ .11

SOFTWARE DEVELOPMENT RATE COMPARISON

ENTITY	LOCATION	BILLING RATE/HOUR OF SERVICE
Information Technology Dept	**State of ND**	**$58-$63**
Applied Engineering	Bismarck, ND	$72-$98
Eide Bailly	Bismarck, ND	$60-$80
Enterprise Solutions	Bismarck, ND	$75-$120
Internet Design & Consulting	Bismarck, ND	$70-$75
Nexus Innovations	Bismarck, ND	$68-$130
Vision Technology	Bismarck, ND	$70-$75
Stratacom	Fargo, ND	$80-$125
Strategic Business Engineering	Fargo, ND	$75-$95
BPRO INC.	Pierre, SD	$65-$85
Ciber	Vancouver, WA	$54-$100
Compuware	Plymouth, MN	$57-$127
Maximus	Rancho Cordova, CA	$178-$188

ITD SERVICE RATE TRENDS

SERVICE RATES

	July '07	July '06	July '05	July '04
Systems Analyst	$ 63.00	$ 58.00	$ 58.00	$ 56.25
Programmer	$ 58.00	$ 54.00	$ 54.00	$ 52.00

CENTRAL COMPUTER CPU

	July '07	July '06	July '05	July '04
Batch CPU	$ 0.93	$ 0.93	$ 0.93	$ 0.98
CICS CPU	$ 0.93	$ 0.93	$ 0.93	$ 0.98
ADABAS CPU	$ 0.98	$ 0.98	$ 0.98	$ 1.03
TSO CPU	$ 0.93	$ 0.93	$ 0.93	$ 0.98

NETWORK FEES

	July '07	July '06	July '05	July '04
Device Fee	$ 30.75	$ 29.00	$ 29.00	$ 29.00
ATM T-1	$890.00	$ 840.00	$ 840.00	$ 840.00

TELEPHONE FEES

	July '07	July '06	July '05	July '04
Telephone Line	$ 24.00	$ 21.00	$ 21.00	$ 21.00
Speaker	$ 3.00	$ 2.00	$ 2.00	$ 2.00
Display	$ 2.00	$ 1.00	$ 1.00	$ 1.00
Voice Mail (Unlimited)	$ 5.00	$ 3.00	$ 3.00	$ 3.00

LONG DISTANCE

	July '07	July '06	July '05	July '04
In-State	$ 0.09	$ 0.05	$ 0.05	$ 0.05
Out-of-State	$ 0.09	$ 0.05	$ 0.05	$ 0.05
800 Service	$ 0.07	$ 0.07	$ 0.07	$ 0.07

Information Technology Department

STATEMENT OF NET ASSETS JUNE 30, 2006 and 2005

	FY 2006		FY 2005	
ASSETS				
CURRENT ASSETS:				
CASH DEPOSITS AT THE BANK OF ND	2,818,858		4,801,519	
RESTRICTED CASH	5,734,157		-	
INTERGOVERNMENTAL RECEIVABLES	47,850		83,436	
ACCOUNTS RECEIVABLE	580,346		716,446	
DUE FROM OTHER FUNDS	2,855,972		2,740,341	
TOTAL CURRENT ASSETS		12,037,183		8,341,742
NONCURRENT ASSETS:				
UNAMORTIZED BOND ISSUANCE COSTS	59,845		66,494	
CAPITAL ASSETS:				
EQUIPMENT - NET	7,856,083		8,159,502	
TOTAL NONCURRENT ASSETS		7,915,928		8,225,996
TOTAL ASSETS		19,953,111		16,567,738
LIABILITIES				
CURRENT LIABILITIES:				
ACCRUED PAYROLL	1,152,435		1,042,683	
ACCOUNTS PAYABLE	432,580		238,109	
INTEREST PAYABLE	71,719		-	
INTERGOVERNMENTAL PAYABLE	472		-	
DUE TO OTHER FUNDS	92,580		-	
COMPENSATED ABSENCES PAYABLE	50,439		45,705	
BONDS PAYABLE	568,400		549,000	
TOTAL CURRENT LIABILITIES		2,368,625		1,875,497
NONCURRENT LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	1,095,909		993,050	
NOTES PAYABLE	6,000,000		-	
BONDS PAYABLE	4,828,468		5,412,076	
TOTAL NONCURRENT LIABILITIES		11,924,377		6,405,126
TOTAL LIABILITIES		14,293,002		8,280,623
NET ASSETS				
INVESTED IN CAPITAL ASSETS,				
NET OF RELATED DEBT	7,856,083		8,159,502	
UNRESTRICTED	(2,195,974)		127,613	
TOTAL NET ASSETS		5,660,109		8,287,115
TOTAL LIABILITIES AND NET ASSETS		19,953,111		16,567,738

Financing Agreements: ITD borrowed $6,000,000 from the Bank of America at 3.57% for the mainframe migration project. ITD expects to use savings realized from operating the new platform to pay back the note over five years.

Information Technology Department

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005

	FY 2006		FY 2005	
OPERATING REVENUE:				
SALES AND SERVICES		34,453,428		31,208,382
OPERATING EXPENSES:				
SALARIES & BENEFITS	13,406,332		12,198,890	
OPERATING	21,150,877		16,189,669	
DEPRECIATION	2,311,279		2,106,488	
TOTAL OPERATING EXPENSES		36,868,488		30,495,047
OPERATING INCOME (LOSS)		(2,415,060)		713,335
NONOPERATING REVENUES (EXPENSES):				
INTEREST AND INVESTMENT INCOME	102,480		19,842	
INTEREST EXPENSE	(307,789)		(248,790)	
(LOSS) ON DISPOSAL OF CAPITAL ASSETS	(22,745)		(6,464)	
OTHER	16,108		(4,350)	
TOTAL NONOPERATING REVENUES (EXPENSES)		(211,946)		(239,762)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		(2,627,006)		473,573
CONTRIBUTIONS		-		49,400
CHANGE IN NET ASSETS		(2,627,006)		522,973
TOTAL NET ASSETS - BEGINNING OF YEAR		8,287,115		7,764,142
TOTAL NET ASSETS - END OF YEAR		5,660,109		8,287,115

guidingprinciples

ITD's guiding principles provide the foundation for our organization. They're standards for how employees and managers are expected to act and interact. They provide a goal for how we want ITD to be in the future. Each employee should strive to embody these principles, and challenge management to do the same.

respect
We treat everyone with dignity and respect.

teamwork
We recognize ITD's success depends on partnerships and collaboration.

achievement
We develop quality solutions that best address the needs of our state.
We are committed to delivering results – on time and within budget.

integrity
We build long-term, lasting relationships through mutual trust.
We value open, honest, two-way communication.

leadership
We encourage initiative and creativity.
We are committed to investing in knowledge and expertise.

service
We hold ourselves accountable for a positive customer experience.

websites&additional information

North Dakota Portal	*www.nd.gov*
Information Technology Department	*www.nd.gov/itd*
Enterprise Project Management	*www.nd.gov/epm*
North Dakota Enterprise Architecture	*www.nd.gov/ea*
For more information or to request additional copies of the report, please contact the Service Desk	*servicedesk@nd.gov*
An electronic copy of the Information Technology Department's Annual Report can be found by visiting	*www.nd.gov/itd/pubs*

setting expectationsdelivering results

Provide leadership and knowledge to assist our customers in achieving their mission through the innovative use of information technology.

Overall, ITD provides top notch service. Their professional services are exemplified by Software Development in web site construction.
  -North Dakota Veterans Home

"Without the 24 hour service and support, everything would be at a standstill. I've never been let down by ITD and they always seem happy to help."
  -Mayville Police Department

"I was locked out of my computer, called ITD, and was back to work in 5 seconds. It doesn't get any better than that!"
  -Youth Correctional Center, Mandan

"ITD does a great job of keeping us up and running. Thanks for all your hard work. Whoever answered the phone was most cheerful and nice to talk to."
  -Department of Career and Technical Education, New England

setting expectationsdelivering results

ITD
Information Technology Department